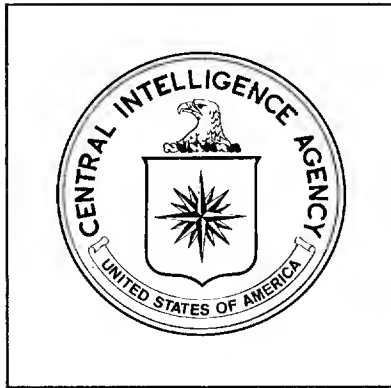


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## STAFF NOTES:

# Western Europe Canada International Organizations

**Secret**

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## WESTERN EUROPE – CANADA – INTERNATIONAL ORGANIZATIONS

This publication is prepared for regional specialists in the Washington community by the Western Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

### *C O N T E N T S*

Bonn Sees Serious Difficulties in Resuming Oil Producer-Consumer Conference . . . . .	1
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25X1A

Bonn Sees Serious Difficulties in Resuming  
Oil Producer-Consumer Conference

1 | Bonn is uncertain about what steps the  
2 | western industrial nations should take to  
3 | ensure resumption of the conference between  
oil producers and consumers this fall. West  
German officials have concluded that disagreements  
over the conference format and the solidarity  
of developing nations and the oil producers on  
raw materials policy will hamper efforts  
to arrange the conference.

25X1C

1 | [REDACTED] that  
Bonn's pessimism is partly a result of the  
Schmidt government's reluctance to modify  
its policies on raw materials and relations  
with developing states. Given its deeply  
engrained belief in the benefits of the  
4 | free market system, Bonn takes a negative  
view of commodity agreements and opposes  
3 | the indexation of oil prices to manufactured  
goods. Government leaders are also concerned  
that any significant rise in prices would at  
a minimum, delay an economic upswing in West  
Germany and cost them votes in next year's  
national elections.

2 | Foreign Office State Secretary Wischnewski  
2 | who headed a recent fact-finding mission  
3 | to several oil producing and developing  
countries indicated that Bonn is willing  
to consider various schemes to use the International  
Monetary Fund's gold reserves to help stabilize  
export earnings of raw materials producers.  
The reaction was generally lukewarm and  
Wischnewski detected no serious rift between  
the oil producers and the developing countries.

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1 West German officials are considering  
ways to avoid an open confrontation and  
are reportedly considering a proposal to  
4 institutionalize the conference, perhaps  
by creating a permanent secretariat, in  
order to reduce pressures for rapid progress.

2 These officials fear that continued  
dialogue may be undermined by opposition  
to Washington's proposal to allow only 15  
nations to be represented in each of the  
three commissions proposed for the conference  
and the disagreement between Saudi Arabia  
and the US on the need for a fourth commission  
on monetary issues.

2 Bonn has endorsed a scenario for reconvening  
the conference presented by the US to the  
International Energy Agency last month. But  
a senior Foreign Ministry official has also  
indicated that Chancellor Schmidt is "well-  
disposed" to the idea of a separate monetary  
commission desired by the Saudis. West  
German officials have always had a strong  
interest in discussing the "petrodollar" issue  
directly with the oil producers, and Bonn  
is inclined to be flexible on this question  
in order to preserve the chances for a conference  
this fall. (Secret No Foreign Dissem/No Dissem  
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